

1 Adopt 2 Cal. Code Regs. Section 18531.62 to read:

2 **§ 18531.62. Elected State Officeholder Bank Accounts.**

3 **(a) Application and definitions.**

4 (1) This regulation applies to the bank account permitted by Government Code
5 Section 85316(b).

6 (2) For purposes of this regulation, the following definitions apply:

7 (A) “Officeholder committee” means a committee formed pursuant to subdivision (c)
8 of this regulation.

9 (B) “Officeholder account” means the bank account established at a financial
10 institution located in the State of California pursuant to Government Code Section 85316(b).

11 (C) “Officeholder funds” means money in the officeholder account.

12 **(b) Establishing the Officeholder Account:** For purposes of Government Code
13 Section 85316(b), officeholder funds shall be held in a single bank account separate from any
14 other bank account held by the official, including any campaign bank account.

15 **(c) Establishing the Officeholder Controlled Committee and Reporting:**

16 (1) The elected state officer shall establish a controlled committee by filing a
17 statement of organization pursuant to Government Code Section 84101 if \$1,000 or more is
18 received by or deposited in an officeholder account in a calendar year.

19 (2) The controlled committee name shall include the elected state officer’s last name,
20 the office held, the year of the candidate’s election to office, and the words “Officeholder
21 Account.” The statement of organization shall include the name, account number, and
22 address of the financial institution where the committee established the officeholder account.

23 (3) The controlled committee shall file campaign statements and reports pursuant to
24 Chapters 4 and 5, except Sections 85200 and 85201, of Title 9 of the Government Code at
25 the same times and in the same places as it otherwise would be required to do for any other
26 controlled committee formed by the elected state officer for election to state office.

27 **(d) Prohibited Uses and Transfers:** Unless specified otherwise in this regulation,
28 an elected state officer may not use officeholder funds for the following purposes:

29 (1) To contribute or transfer to another state or local committee. However, a
30 candidate may transfer funds from his or her campaign committee to his or her officeholder
31 committee under either of the following circumstances:

1 (A) The transfer is made from the campaign committee established for election to
2 the same term of office for which the officeholder account was established.

3 (B) The transfer is made from another campaign committee of the elected state
4 officer, if the transfer, when aggregated with contributions to the officeholder account by the
5 same contributor, does not result in violation of the contribution limits in Government Code
6 Section 85316(b)(1) or (b)(2). To determine whether a transfer violates the contribution
7 limits in Government Code Section 85316(b)(1) or (b)(2), a candidate shall attribute the
8 transferred funds to specific contributors. The methodology for attribution shall be
9 consistent with 2 Cal. Code of Regulations Section 18536(a), except the contribution limits
10 in Government Code Section 85316(b)(1) and (b)(2) shall be substituted for the contribution
11 limits referenced in 2 Cal. Code of Regulations Section 18536(a)(3)(B).

12 (2) Any “campaign expenses” as defined in 2 Cal. Code of Regulations Section
13 18525(a).

14 **(e) Cumulation of Contributions:**

15 (1) A contribution to the officeholder account shall also be deemed a contribution to
16 the elected state officer’s controlled committee for elective state office for the purposes of
17 Government Code Section 85316(b)(3) only under all of the following circumstances:

18 (A) The contribution is made between the day of the election for which the
19 officeholder account was established and the end of the term of office for that election;

20 (B) The officer maintains the controlled committee at any time during the period
21 covered in subparagraph (A); and

22 (C) The controlled committee is established for a future election to elective state
23 office.

24 (2) The cumulative amount of a person’s contributions to the officeholder account,
25 when combined with contributions from the same person for a primary and general election
26 to the elective state office may not, in the aggregate, exceed the contribution limits applicable
27 to the primary and general election.

28 (3) In addition to the requirements of 2 Cal. Code of Regulations Section 18523.1, a
29 solicitation for contributions to the officeholder account shall include the following: “Under
30 the Political Reform Act a contribution (or contributions) made to an elected officer’s
31 officeholder account is aggregated for purposes of the contributor’s limit on contributions to

1 that officer's next election to the Assembly, Senate, or any other elective state office that the
2 officer intends to seek during his or her current term of office."

3 (4) The following rules apply in addition to the requirements in paragraphs (1)
4 through (3) of this subdivision when an elected state officer maintains more than one
5 officeholder account in the same calendar year:

6 (A) Contributions to all of the officeholder accounts by the same contributor, when
7 aggregated in the same calendar year, may not exceed the highest contribution limit
8 applicable to that elected state officer under Government Code Section 85316(b)(1).

9 (B) Contributions to all of the officeholder accounts from all contributors, when
10 aggregated in the same calendar year, may not exceed the highest contribution limit
11 applicable to that elected state officer under Government Code Section 85316(b)(2).

12 **(f) Contributions over the Limits:**

13 (1) If, pursuant to Government Code Section 85316(b)(3), an elected state officer is
14 deemed to have received a contribution in excess of the limit in Government Code Section
15 85301 or 85302, the officer shall return to the contributor the portion of the contribution
16 exceeding the limit within 14 days of receipt or within 14 days of the date the officer files a
17 statement of intention to be a candidate for elective state office pursuant to Government Code
18 Section 85200, whichever is earlier.

19 (2) An elected state officer shall return to the contributor the portion of the
20 contribution exceeding the limit within 14 days of receipt if the officer receives a
21 contribution in excess of the limits in Government Code Section 85316(b)(1) or (b)(2),.

22 (3) Notwithstanding paragraph (1), an elected state officer is not required to return
23 any amount in the officeholder account exceeding the contribution limit if the amount is in
24 excess of the funds in the account and the elected state officer does not receive additional
25 officeholder contributions to the officeholder account for the remainder of that term of office.

26 (4) A contributor only violates the cumulative contribution limit provisions of
27 Government Code Section 85316(b)(3) if the contributor knew he or she exceeded the limit
28 when he or she made the contribution.

29 **(g) Terminating Officeholder Accounts and Committees.**

30 (1) Except for transfers of funds permitted in subdivision (d)(1)(A) and (B) of this
31 regulation, contributions may not be received by or deposited in the officeholder account

1 after the elected state officer's term of office ends or he or she leaves that office, whichever
2 is earlier.

3 (2) The elected state officer may redesignate the officeholder account and any
4 remaining funds therein as an officeholder committee for election to a future term to the
5 same office by amending the Statement of Organization for the committee to reflect the
6 redesignation for the future term of office prior to the date the officer's term of office ends.

7 (3) The officeholder funds shall be disbursed only for the following purposes once
8 the elected state officer's term of office ends or he or she leaves that office, whichever is
9 earlier.

10 (A) The payment of the elected officer's outstanding officeholder expenses.

11 (B) The repayment of contributions to contributors to the elected state officer's
12 officeholder account.

13 (C) A donation to a bona fide charitable, educational, civic, religious, or similar tax-
14 exempt, nonprofit organization, if no substantial part of the proceeds will have a material
15 financial effect on the elected state officer, a member of his or her immediate family, or his
16 or her committee treasurer.

17 (D) The payment for professional services reasonably required by the officeholder
18 committee to assist in the performance of its administrative functions.

19 (4) Officeholder committees and accounts shall be terminated within 90 days from the
20 date the officer's term of office ends or he or she leaves that office, whichever is earlier.
21 Officeholder committees and accounts may be reopened only consistent with 2 Cal. Code of
22 Regulations Section 18404.1(i), and (k) through (m), except that new officeholder funds may
23 only be received as permitted in subdivision (g)(1) and expended as permitted in this
24 regulation.

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26 Note: Authority cited: Section 83112, Government Code.
27 Reference: Section 85316, Government Code.
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